



Seller Guide Update



SEL-2020-086: Multiple Topics

October 23, 2020

- Correspondent Lending
- Housing Finance Agency (HFA)

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Summary



The following items have recently been updated in the U.S. Bank Correspondent Seller and HFA Division Lending Guides, specific to Loan Delivery, Underwriting and Credit Policy.

U.S. Bank Correspondent Seller and HFA Division Lending Guides

Unless notated within each section as Correspondent only policy or based on product availability such as Portfolio products available only in Correspondent, these updates are applicable to both our Correspondent and HFA lenders. The respective sections of the U.S. Bank Correspondent Seller and HFA Division Lending Guides are included in each section. This communication serves to announce changes and updates including an effective date. Always review the U.S. Bank Correspondent Seller and HFA Division Lending Guides for the most current policy. Guidelines are updated with the information in this communication and should be referred to instead of the communication for guidance.

Underwriting, Delivery, and Product Grids

For overall ease of use, we have enhanced our communications to now include underwriting and delivery method checkboxes to each section when applicable. You'll also find a new grid that outlines the applicable products.

Effective Date

Immediately unless otherwise noted within each section below.

Keeping you informed

U.S. Bank continues to closely monitor the ever-changing landscape of our business as a result of the impacts of the coronavirus (COVID-19).

For information about our ongoing work to support our lending partners and customers, we invite you to visit our Correspondent/HFA COVID-19 Resource Page within AllRegs for regular updates and the most current information. We know you have many questions and we are diligently working to address each of them. We have developed a list of [COVID-19 Frequently Asked Questions](#) and will continue to update this document on a regular basis to keep you informed of process and policy updates.

For additional information about our ongoing work to support customers, we invite you to visit [U.S. Bank's COVID-19 support site](#) for regular updates and the most current information.



Appraisal Waivers for Properties Located in a Disaster Areas

Underwriting/Delivery	
<input checked="" type="checkbox"/>	Corr. Delegated
<input checked="" type="checkbox"/>	Corr. Non-Delegated
<input type="checkbox"/>	Corr. EZD
<input type="checkbox"/>	Corr. Mandatory
<input type="checkbox"/>	HFA Delegated
<input type="checkbox"/>	HFA Non-Delegated
Products	
<input checked="" type="checkbox"/>	Conv. (Freddie)
<input checked="" type="checkbox"/>	Conv. (Fannie)
<input type="checkbox"/>	Conv. (Portfolio)
<input type="checkbox"/>	FHA
<input type="checkbox"/>	VA
<input type="checkbox"/>	Rural Development

U.S. Bank is updating our Correspondent Natural Disaster Procedures when utilizing a Fannie Mae Property Inspection Waiver (PIW) or a Freddie Mac Automated Collateral Evaluation (ACE) Appraisal Waivers as follows:

Loans Utilizing Appraisal Waivers

If the Natural Disaster Incidence Date was in the last 120 days:

Loans utilizing an appraisal waiver are acceptable for properties located in the counties affected by the Natural Disaster when:

- the AUS system continues to allow for the appraisal waiver; and
- a re-inspection/certification confirms that the property has not been adversely impacted by the natural disaster.

For both delegated and non-delegated loans, U.S. Bank may waive the requirement for a re-inspection/certification on a case-by-case basis provided that documentation is present including the reason for waiving as well as comments as to how they were able to ascertain that the property was not impacted and that the value and condition are supported.

If the Natural Disaster Incidence Date was more than 120 days:

- Loans utilizing an appraisal waiver are acceptable for properties located in the counties affected by the Natural Disaster when the AUS system continues to allow for the appraisal waiver.

Guide Updates: 713.20 Agency - Natural Disaster Procedures

USDA Guaranteed Rural Housing Funding Update

Underwriting/Delivery	
<input checked="" type="checkbox"/>	Corr. Delegated
<input type="checkbox"/>	Corr. Non-Delegated
<input type="checkbox"/>	Corr. EZD
<input checked="" type="checkbox"/>	Corr. Mandatory
<input checked="" type="checkbox"/>	HFA Delegated
<input type="checkbox"/>	HFA Non-Delegated
Products	
<input type="checkbox"/>	Conv. (Freddie)
<input type="checkbox"/>	Conv. (Fannie)
<input type="checkbox"/>	Conv. (Portfolio)
<input type="checkbox"/>	FHA
<input type="checkbox"/>	VA
<input checked="" type="checkbox"/>	Rural Development

As announced by USDA, at the beginning of Fiscal Year 2021 (FY 2021), which began October 1, 2020, funding for USDA's Single Family Housing Guaranteed Loan Program (SFHGLP) was not available for a temporary time period. Effective October 15, 2020, Fiscal Year 2021 funding for Single-Family Guaranteed Housing Loans is now available

Temporary Lapse of Funding

As announced in **SEL-2020-080**, during the temporary lapse of funding, U.S. Bank **continued to purchase** USDA Rural Housing loans with Conditional Commitments "*subject to the availability of commitment authority*" for purchase and refinance transactions.

Final Documents - Final Conditional Commitment and Loan Note Guaranty

As a reminder, for loans purchased during the temporary lapse of funding, lenders are required to provide U.S. Bank the **final Conditional Commitment (RD 3555-18/18E)** and the **Loan Note Guaranty** once they are received from USDA as post-closing documentation requirements.

As referenced in the **Correspondent Seller and HFA Division Lending Guides (900: Delivery and Funding > M. Final Documentation)**, lenders are required to provide original loan documents for each loan purchased by U.S. Bank within 90 days from date of purchase.

Note: Loans without a Conditional Commitment are not eligible for purchase.

Agency Extension of Temporary Flexibilities Related to COVID-19

Underwriting/Delivery	
<input checked="" type="checkbox"/>	Corr. Delegated
<input checked="" type="checkbox"/>	Corr. Non-Delegated
<input checked="" type="checkbox"/>	Corr. EZD
<input checked="" type="checkbox"/>	Corr. Mandatory
<input checked="" type="checkbox"/>	HFA Delegated
<input checked="" type="checkbox"/>	HFA Non-Delegated
Products	
<input checked="" type="checkbox"/>	Conv. (Freddie)
<input checked="" type="checkbox"/>	Conv. (Fannie)
<input type="checkbox"/>	Conv. (Portfolio)
<input type="checkbox"/>	FHA
<input type="checkbox"/>	VA
<input type="checkbox"/>	Rural Development

Updated: Eligibility for Sale of Loans in a COVID-19 Forbearance

Underwriting/Delivery	
<input checked="" type="checkbox"/>	Corr. Delegated
<input checked="" type="checkbox"/>	Corr. Non-Delegated
<input checked="" type="checkbox"/>	Corr. EZD
<input checked="" type="checkbox"/>	Corr. Mandatory
<input checked="" type="checkbox"/>	HFA Delegated
<input checked="" type="checkbox"/>	HFA Non-Delegated
Products	
<input checked="" type="checkbox"/>	Conv. (Freddie)
<input checked="" type="checkbox"/>	Conv. (Fannie)
<input type="checkbox"/>	Conv. (Portfolio)
<input type="checkbox"/>	FHA
<input type="checkbox"/>	VA
<input type="checkbox"/>	Rural Development

Disaster Area Declarations

Underwriting/Delivery	
<input checked="" type="checkbox"/>	Corr. Delegated
<input checked="" type="checkbox"/>	Corr. Non-Delegated
<input checked="" type="checkbox"/>	Corr. EZD
<input checked="" type="checkbox"/>	Corr. Mandatory
<input checked="" type="checkbox"/>	HFA Delegated
<input checked="" type="checkbox"/>	HFA Non-Delegated
Products	
<input checked="" type="checkbox"/>	Conv. (Freddie)
<input checked="" type="checkbox"/>	Conv. (Fannie)
<input checked="" type="checkbox"/>	Conv. (Portfolio)
<input checked="" type="checkbox"/>	FHA
<input checked="" type="checkbox"/>	VA
<input checked="" type="checkbox"/>	Rural Development

Due to the current economic disruption and market uncertainty associated with the COVID-19 event, U.S. Bank will continue to update temporary guidelines with changes and clarifications as we align our communications with investor guidance.

Extension of Temporary Changes from Previous Seller Guide Updates

We are extending the temporary requirements and flexibilities previously announced that were effective for application received dates through **October 31, 2020 to mortgages with application received dates through November 30, 2020 for the following:**

Communication	Topic
SEL-2020-021	<ul style="list-style-type: none"> Correspondent: Temporary Flexibilities for Appraisals HFA: Temporary Flexibilities for Appraisals Temporary Flexibilities for Employment Verifications
SEL-2020-027	<ul style="list-style-type: none"> Temporary Credit Underwriting Requirements for Agency Loans Temporary Flexibilities for Agency Appraisals on New Construction Properties
SEL-2020-029	<ul style="list-style-type: none"> Clarification: Temp. Credit Underwriting Requirements for Agency Loans – Investment Properties

Due to the current economic disruption and market uncertainty associated with the COVID-19 event, U.S. Bank will continue to update temporary guidelines with changes and clarifications as we align our communications with investor guidance including the following:

The following information is an update to U.S. Bank's SEL-2020-082 published on October 2, 2020:

- Extension of Temporary Requirements for Purchase of Mortgages in Forbearance**

On October 21, 2020, [Freddie Mac \(Bulletin 2020-41\)](#) and [Fannie Mae \(LL-2020-06\)](#) issued updates that aligned and extended the temporary requirements for purchase of mortgages in forbearance, specifically extending the eligible Note date until **November 30, 2020**.

Guide Update: COVID-19 Frequently Asked Questions

The following counties have been declared as Presidential Disaster Area with Individual Assistance on the [FEMA Disaster Website](#) and re-inspection requirements detailed in our Correspondent Seller's and HFA Division Lending Guide must be met. In some cases, additional counties may have been added. Lenders are responsible for verifying procedures are in place to monitor new and/or updated declarations.

Declaration Date	State	County/Parish
October 16, 2020	CA	Fresno, Los Angeles, Madera, Mendocino, San Bernardino, San Diego and Siskiyou
October 16, 2020	LA	Acadia, Calcasieu, Cameron, Jefferson Davis, and Vermilion

Guide Section: 711.20 – Natural Disaster Procedures (VA), 712.20 – Natural Disaster Procedures (FHA), 713.21 – Natural Disaster Procedures (Conventional), 714.1.10 – Appraisal Procedures (Portfolio – Correspondent Only), 715.20: Natural Disaster Procedures (USDA)

Correspondent Approved Assistance Programs

Underwriting/Delivery	
<input checked="" type="checkbox"/>	Corr. Delegated
<input checked="" type="checkbox"/>	Corr. Non-Delegated
<input checked="" type="checkbox"/>	Corr. EZD
<input checked="" type="checkbox"/>	Corr. Mandatory
<input type="checkbox"/>	HFA Delegated
<input type="checkbox"/>	HFA Non-Delegated
Products	
<input checked="" type="checkbox"/>	Conv. (Freddie)
<input checked="" type="checkbox"/>	Conv. (Fannie)
<input type="checkbox"/>	Conv. (Portfolio)
<input type="checkbox"/>	FHA
<input type="checkbox"/>	VA
<input type="checkbox"/>	Rural Development

We have updated the Correspondent Seller Guide to reflect the following approved assistance programs for Correspondent non-delegated lenders. This approved list is updated as new information is available.

DPA Program	Program Summary
Davis Community Housing Authority Home Buyer Assistance Program	<ul style="list-style-type: none"> • Maximum assistance amount \$7,500 • 0% interest • Forgiven over five-year period of owner-occupancy • Available for all Correspondent • Fannie/Freddie
Keys to My Home Grant Assistance Program	<ul style="list-style-type: none"> • Maximum assistance amount of \$15,000 • True grant with no repayment or lien placed on the property • Available for all Correspondent • Fannie/Freddie
Provo City Home Purchase Plus Assistance Program	<ul style="list-style-type: none"> • Maximum assistance amount is up to 20% of the purchase price, not to exceed \$25,000 if the mid credit score is < 700, or \$40,000 if the mid credit score is > 700 • 0% interest rate • Deferred, due upon sale • Available for all Correspondent • Fannie/Freddie

Guide Section: 500: Mortgage Programs > Approved Assistance Programs

Questions



Correspondent: Please contact your Account Executive or the Client Support Area at 800.200.5881, option 1.

HFA: Please contact the Housing Finance Agency Hotline at 800.562.5165, option 1 for the HFA Customer Care Team.